Sanitized Copy Approved for Release 2011/09/21: CIA-RDP80-00809A000700010579-7 CONFIDENTIAL CONFIDENTIAL CLASSIFICATION 50X1-HUM CENTRAL INTELLIGENCE AGENCY INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO. DATE OF INFORMATION 1951 China COUNTRY 50X1-HUM carbolic acid Economic SUBJE^T DATE DIST. Oct 1951 HOW Daily newspapers PUBLISHED NO. OF PAGES WHERE Peiping 50X1-HUM **PUBLISHED** DATE 5 Aug, 25 Sep 1951 SUPPLEMENT TO PUBLISHED REPORT NO. Chinese LANGUAGE THIS IS UNEVALUATED INFORMATION 50X1-HUM Newspapers as indicated. SOURCE 50X1-HUM HALTS CONSTRUCTION ON NORTHEAST CARBOLIC ACID PLANT TECHNICAL PROBLEMS HALT PLANT CONSTRUCTION -- Peiping, Jen-min Jih-pao, 5 Aug 51 The Chemical Industries Control Bureau, Department of Industry, Northeast People's Government, has ordered a halt in the construction of a certain carbolic acid plant under its jurisdiction. The bureau issued the temporary stop order on 3 February 1951, on the grounds that cadres in charge of the operation, in

their eagerness to complete the project, had failed to conduct sufficient experimentation and had neglected to make proper preliminary plans before proceeding with actual construction.

Blueprints for the plant were completed in September 1950, and the control subsequently authorized the management to proceed with the actual construction. By March 1951, the following approximate amounts had been expended:

Yuan (billion) 0.79 1.60 Construction and installation Materials in storage 1.00 Equipment

The actual total reached 3,539,000,000 yuan.

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In February 1951, a group of specialists inspected the project and discovered innumerable deficiences. For example, techniques of heating and of introducing steam, which had been satisfactorily developed on a small scale in the laboratories, were inadequate for the large-scale operation of the plant itself.

This is an impressive example of poor planning. The nation's loss in money and materials has been tremendous.

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- 2 -

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